



**THAT WAS THEN . . .
THIS IS NOW**

THE NEW RULES OF EMAIL MARKETING

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In this new era of CAN-SPAM legislation, overflowing inboxes and ever-increasing customer expectations, many of the practices that worked for emailers in the past simply won't work anymore. The companies that can boast the most effective email programs today have been successful because they've completely overhauled their way of thinking. They have changed their strategy from blasting to an unsuspecting audience, to *communicating* with a willing and increasingly loyal customer base.

Consider Darwin's theory on survival of the fittest. He stated that not all organisms can survive in a crowded world and only those that are most fit will survive the competition. Your recipient's inbox is no different. To make an email program succeed and thrive, marketers need to constantly evolve their email programs to improve relevancy. Only the most relevant campaigns will ensure that messages survive the increasingly Darwinian inbox. The chart below illustrates some of the shifts that thriving marketers are making as they evolve their email strategies.

The Old Way	The New Way
Interruption	▶ Anticipation
List size	▶ Active recipients
Subject line	▶ "From" field
Prospecting for leads	▶ Relationships with customers
Campaign success	▶ Lifetime value of email customer (Email Brand Value)
Maximum frequency of campaigns	▶ Recipient control
Communicate anything you want	▶ Recipient control (Preferences)
Email is virtually free	▶ Email is less expensive than other mediums
Email Marketing	▶ Customer communication Management

Let's look in depth at some of the old tactics that used to work in email marketing and compare those to how savvy marketers are changing their approach.

1. **Old Way: Interrupt Them Until They Respond** **New Way: Turn Strangers into Friends and Friends into Customers**

According to marketing guru Seth Godin¹, there are two types of marketers: interruption marketers and permission marketers. Interruption marketers break into your favorite television show, newspaper or radio station to sell you shampoo, dog food, and jeans. The idea behind *interruption marketing* is to catch you while you're doing something else and interrupt you with an ad. They hope that you want to get back to your original TV show (or newspaper article or radio show) badly enough that you'll pay attention to their ad until it's over.

Interruption marketers have a good point: If they don't throw themselves in front of you, how else will you ever find out about them? Interruption marketing is undoubtedly an important marketing tool, but it can also be overused to the point where it becomes ineffective.

1. Godin, Seth. *Permission Marketing: Turning Strangers into Friends, and Friends into Customers*. New York: Simon & Schuster, 1999.



Permission marketers, on the other hand, focus on building relationships. Effective permission marketers ask their customers about their wants and needs, request their permission to fulfill those wants and needs, gain their trust, and then elevate that trust into sales. Instead of interrupting you with a message you didn't request and don't want, permission marketers get to know you, earn your trust, and then send you personal messages that are relevant to you. As Godin puts it, *permission marketing* is about "turning strangers into friends and friends into customers."

2. **Old Way: Bigger Responses Need Bigger Lists** **New Way: Size Isn't as Important as How You Use it**

Shoot a thousand arrows at a target and you'll ultimately hit a few bull's-eyes. Send a few million messages and someone is bound to respond. In the early days of email marketing, messages were blasted as often as the marketer had something to say. Of course, marketers were under the mistaken impression that their customers had an endless appetite for promotions and advertising.

But as inboxes overflowed with unrequested emails and customers' ire grew, marketers began to realize that sending more and more messages led to the phenomenon of the *incredible shrinking list*. The more emails a company sent, the more its customers opted-out or just stopped reading the messages altogether.

To combat the *incredible shrinking list*, marketers came up with a blanket rule to dictate email frequency. They called it the *Rule of 24*. According to this rule, twenty-four is about the right number of emails to send customers per year. Although there is no science behind this number, many companies have found, in the absence of any other approach, that twenty-four times a year is about as often as their customers want to hear from them.

Now, if your company lacks the technology, or the processes, to manage a variety of email transactions simultaneously, the Rule of 24 is a decent way to manage your frequency. But let's think about the philosophy behind this rule. It basically implies that twenty-four is the maximum number of messages your customers want to receive. Put another way, twenty-four is the maximum number of messages your customers *can stand*. Although the Rule of 24 technically moderates the number of interactions with your customer, it hasn't evolved far from the old method of sending your customers as many emails as they can stomach before they walk away from you.

Ultimately, owning a huge list does you no good if no one on your list wants to hear from you and everyone on your list begins opting-out. Sending twenty-four emails a year is ineffective if the content is irrelevant and the timing inappropriate. On the other hand, twenty-four emails a year could be too few if your customers can't get enough of your promotions. *The New York Times* and the "Joke of the Day" both send well beyond the Rule of 24 and recipients don't complain a bit. If you focus excessively on list size and frequency, you ignore the three most critical tenets of any email marketing program: relevancy, recipient control, and relationships.

3. **Old Way: Snag Them with a Snazzy Subject Line** **New Way: Be the Friend in Their "From" Field**

Nearly every email marketing book out there will tell you that your subject line is the cornerstone to a successful campaign. Adding a little "oomph" to your subject line, the thinking goes, is the best way to increase response rates. One can't deny that subject lines impact response rates – the old way still works, in a sense – but if you focus solely on your subject line, you'll neglect an equally critical asset: your Email Brand Value in the "from" field.

Consider this: If you get an email from a friend (or your mother), can you find it among the clutter of your inbox? Of course you can. You look at the "from" field, see that you have a message from your friend, and open it because you're interested in what he or she has to say. Now, say your friend sends you an email from a different email address. The subject line is the same – but now that you don't recognize the name in the "from" field, will you be as likely to open the message? Probably not. The "from" field has lost most – or all – of its value.

When your customers and potential customers look at the "from" field of your emails, they are focusing on one thing – your brand. Only if they trust your company name and what it represents will they continue to read over to your subject line. If your name in the "from" field has come to represent irrelevant and useless emails, even the most enticing subject line is unlikely to convince people to open your messages.



When you think about it, moving just a few words from the subject to the “from” field changes your entire marketing strategy. You’re no longer solely focused on catching the customer’s attention for this mailing; you are also ensuring that you leave a good impression for future mailings. In the end, you’re focusing on the lifetime of your email relationship with your customer. *Customer lifetime value* is what turns one transaction into numerous sales over multiple years.

The subject line will always be critical, especially for promotional mailings. However, the “from” field goes beyond a single mailing – it is your brand. You need to focus on how you use it with as much scrutiny and zeal as you would give any branding effort, online or offline.

4. Old Way: Communicate Everything You Want New Way: Recipient Control

Many marketers operate under the rule of, “If I want to say it, they will listen.” Unfortunately, most recipients do not want to read everything that marketers want to say. Furthermore, every recipient is different and each has different interests in what they want to read.

Letting the recipient control the type and frequency of communications they receive from you is not only a great idea, but makes good business sense too. Research has proven that consumers want control over the emails they receive. You don’t want to force customers into a blanket yes or no proposition when they are considering how much or what email they want to receive from you.

Whenever possible, you should separate your email communications into multiple categories or channels. Each channel can appeal to different audiences and allows them to choose the information they get from your company. For example, if you work in marketing for an airline, you might have one channel for sale fares to vacation destinations and another channel that provides insider tips to frequent business travelers.

Rather than forcing content into a one-size-fits-all package, let recipients custom design their communications with your company. Take into account each customer’s interests, receptiveness to promotional messages and frequency appetite. By giving the customer these choices, you not only increase the size of your potential audience, but also their overall interest level in your product.

5. Old Way: Campaign Success New Way: Email Brand Value

The need to drive results with each new campaign can often overshadow larger, strategic and branding best practices. Improving the next campaign’s results is often done at the price of a small impact on the overall brand impression a company and its products enjoy. This trade-off is never more apparent and challenging than it is in the world of email marketing. Many marketers become narrowly focused, only looking at click-throughs, opens and response rates for individual campaigns. They can easily miss the bigger picture and forget to manage to the results over a longer period of time. This short-term focus may help immediate results but it will also cause a subtler but larger problem – their brand can become less and less valuable in the eyes of their most critical stakeholders, existing customers.

Companies that focus on short-term customer acquisition at the expense of relevance sacrifice most, if not all, of their positive brand value. Companies that take time to develop long-term relationships, on the other hand, gain equity in the form of increased customer lifetime value. Having a well-designed email program is like putting money in the bank and watching it earn interest.

If you take a comprehensive look at campaign results over time, you will better understand how customers perceive your company in the online world and how that perception affects your overall brand. For example, do you know how likely each customer is to open the next email message you send to them? If you answered no, you are on par with the average marketer who doesn’t look at email as a tool for furthering their overall brand.

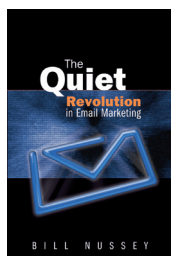
Building customer loyalty requires a shift from short-term campaign successes to long-term customer relationships.

Wrapping it All Up

The truth is that you don't really need to forget *everything* you know. Many of the lessons learned when email was in its infancy remain as valuable today. But a lot has changed. Email marketers are now operating in a radically different environment. Customers are far more sophisticated than they were a few years ago, and they have come to expect much more from the companies they interact with electronically. What's more, the penalties for practicing poor email tactics have become far steeper. Without changing your mindset or without understanding the new context, you significantly risk your customer relationships and your brand.

To succeed in the new world of email marketing, you need to move away from the old assumptions and adopt a new way of thinking. Rather than asking, "How big is my list?" you need to ask, "How engaged are my recipients?" Instead of asking, "What does my subject line say?" you need to ask, "How am I building my brand over this series of campaigns?" And instead of asking, "How frequently should I send my customers emails?" you need to ask, "How relevant is my email to each of my customers?"

As you read this white paper on new approaches to email marketing, keep in mind that there are a select few solution providers, including Silverpop, who know how to help you fully maximize the value of email marketing.



These concepts and similar insights can be found in *The Quiet Revolution in Email Marketing*, a new book by Silverpop CEO, Bill Nussey. With over a dozen case studies and actionable answers from leading brands (including CNN, Staples, and The Bombay Company), this first-of-its-kind resource presents tested and proven solutions for sophisticated, brand-sensitive marketers with its comprehensive look at how email is transforming customer relationships throughout the enterprise.

Visit www.quietrevolutioninemail.com for more information.

For more information about Silverpop's email marketing products and services, please contact us at:

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